

AMENDED IN ASSEMBLY APRIL 27, 2010

AMENDED IN ASSEMBLY APRIL 13, 2010

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2132

Introduced by Assembly Member Carter

February 18, 2010

An act to amend, *repeal, and add* Section 25744 of the Public Resources Code, relating to energy, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2132, as amended, Carter. Energy: renewable energy resources and energy improvements.

Under the Public Utilities Act, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. Existing law requires the PUC, until January 1, 2012, to require Pacific Gas and Electric Company, San Diego Gas and Electric, and Southern California Edison to identify a separate electrical rate component to fund programs that enhance system reliability and provide in-state benefits. This rate component is a nonbypassable element of local distribution and collected on the basis of usage. Existing PUC resolutions refer to the nonbypassable rate component as a “public goods charge.” The public goods charge moneys are collected to support cost-effective energy efficiency and conservation activities, public interest research and development not adequately provided by competitive and regulated markets, and renewable energy resources. The moneys collected by the public goods charge for renewable energy

are required to be transferred to the State Energy Resources Conservation and Development Commission (Energy Commission), for deposit in the Renewable Resource Trust Fund, for use for the renewable energy resources program. Some of the money in the fund, and in the accounts in the fund, is continuously appropriated to the Energy Commission for specified purposes related to renewable energy resources. The moneys collected by the public goods charge for public interest research and development are required to be transferred to the Energy Commission, for deposit in the Public Interest Research, Development, and Demonstration Fund, for use for specified purposes, including the public interest energy research, demonstration, and development program.

This bill would authorize, *until January 1, 2013*, the use of those revenues generated from the public goods charge for energy improvements in existing buildings built prior to July 1, 1978, thereby making an appropriation.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 25744 of the Public Resources Code is
- 2 amended to read:
- 3 25744. (a) Seventy-nine percent of the money collected
- 4 pursuant to the renewable energy public goods charge shall be
- 5 used for a multiyear, consumer-based program to foster the
- 6 development of emerging renewable technologies in distributed
- 7 generation applications and energy efficiency improvements in
- 8 existing buildings built before January 1, 1978.
- 9 (b) Any funds used for emerging technologies pursuant to this
- 10 section shall be expended in accordance with this chapter, subject
- 11 to all of the following requirements:
- 12 (1) Funding for emerging technologies shall be provided through
- 13 a competitive, market-based process that is in place for a period
- 14 of not less than five years, and is structured to allow eligible
- 15 emerging technology manufacturers and suppliers to anticipate
- 16 and plan for increased sale and installation volumes over the life
- 17 of the program.
- 18 (2) The program shall provide monetary rebates, buydowns, or
- 19 equivalent incentives, subject to paragraphs (3) and (4), to

1 purchasers, lessees, lessors, or sellers of eligible electricity
2 generating systems. Incentives shall benefit the end-use consumer
3 of renewable generation by directly and exclusively reducing the
4 purchase or lease cost of the eligible system and cost-effective
5 energy efficiency improvements or applications, or the cost of
6 electricity produced by the eligible system. Incentives shall be
7 issued on the basis of the rated electrical generating capacity of
8 the system or energy efficiency application measured in watts, or
9 the amount of electricity production of the system, measured in
10 kilowatthours. Incentives shall be limited to a maximum percentage
11 of the system price, as determined by the commission. The
12 commission may establish different incentive levels for systems
13 based on technology type and system size, and may provide
14 different incentive levels for systems used in conjunction with
15 ~~energy efficiency~~ *energy efficiency* measures.

16 (3) Eligible distributed emerging technologies are fuel cell
17 technologies that utilize renewable fuels, including fuel cell
18 technologies with an emission profile equivalent or better than the
19 State Air Resources Board 2007 standard, and that serve as backup
20 generation for emergency, safety, or telecommunications systems.
21 Eligible renewable fuels may include wind turbines of not more
22 than 50 kilowatts rated electrical generating capacity per customer
23 site and other distributed renewable emerging technologies that
24 meet the emerging technology eligibility criteria established by
25 the commission and are not eligible for rebates, buydowns, or
26 similar incentives from any other commission or Public Utilities
27 Commission program. Eligible electricity generating systems are
28 intended primarily to offset part or all of the consumer's own
29 electricity demand, including systems that are used as backup
30 power for emergency, safety, or telecommunications, and shall
31 not be owned by local publicly owned electric utilities, nor be
32 located at a customer site that is not receiving distribution service
33 from an electrical corporation that is subject to the renewable
34 energy public goods charge and contributing funds to support
35 programs under this chapter. All eligible electricity generating
36 system components shall be new and unused, shall not have been
37 previously placed in service in any other location or for any other
38 application, and shall have a warranty of not less than five years
39 to protect against defects and undue degradation of electrical
40 generation output. Systems and their fuel resources shall be located

1 on the same premises of the end-use consumer where the
 2 consumer’s own electricity demand is located, and all eligible
 3 electricity generating systems shall be connected to the utility grid,
 4 unless the system purpose is for backup generation used in
 5 emergency, safety, or telecommunications in California. The
 6 commission may require eligible electricity generating systems to
 7 have meters in place to monitor and measure a system’s
 8 performance and generation. Only systems that will be operated
 9 in compliance with applicable law and the rules of the Public
 10 Utilities Commission shall be eligible for funding.

11 (4) Eligible energy efficiency investments include those that
 12 reduce energy consumption in residential and ~~commercial~~
 13 *nonresidential* buildings built before July 1, 1978, including
 14 multifamily housing units. Funds spent on energy efficiency shall
 15 be proven to be cost effective and benefits shall be fairly allocated
 16 among building owners and renters, as applicable, as determined
 17 by the commission.

18 (5) The commission shall limit the amount of funds available
 19 for a system or project of multiple systems and reduce the level
 20 of funding for a system or project of multiple systems that has
 21 received, or may be eligible to receive, any government or utility
 22 funds, incentives, or credit.

23 (6) In awarding funding, the commission may provide preference
 24 to systems that provide tangible demonstrable benefits to
 25 communities with a plurality of minority or low-income
 26 populations.

27 (7) In awarding funding, the commission shall develop and
 28 implement eligibility criteria and a system that provides preference
 29 to systems based upon system performance, taking into account
 30 factors, including shading, insulation levels, and installation
 31 orientation.

32 (8) At least once annually, the commission shall publish and
 33 make available to the public the balance of funds available for
 34 emerging renewable energy resources for rebates, buydowns, and
 35 other incentives for the purchase of these resources.

36 (c) Notwithstanding Section 27540.5, the commission may
 37 expend, until December 31, 2008, up to sixty million dollars
 38 (\$60,000,000) of the funding allocated to the Renewable Resources
 39 *Resource* Trust Fund for the program established in this section,

1 subject to the repayment requirements of subdivision (f) of Section
2 25751.

3 (d) Any funds for photovoltaic or solar thermal electric
4 technologies shall be awarded in compliance with Chapter 8.8
5 (commencing with Section 25780), and not with this section.

6 (e) *This section shall remain in effect only until January 1, 2013,*
7 *and as of that date is repealed, unless a later enacted statute, that*
8 *is enacted before January 1, 2013, deletes or extends that date.*

9 SEC. 2. *Section 25744 is added to the Public Resources Code,*
10 *to read:*

11 25744. (a) *Seventy-nine percent of the money collected*
12 *pursuant to the renewable energy public goods charge shall be*
13 *used for a multiyear, consumer-based program to foster the*
14 *development of emerging renewable technologies in distributed*
15 *generation applications.*

16 (b) *Any funds used for emerging technologies pursuant to this*
17 *section shall be expended in accordance with this chapter, subject*
18 *to all of the following requirements:*

19 (1) *Funding for emerging technologies shall be provided through*
20 *a competitive, market-based process that is in place for a period*
21 *of not less than five years, and is structured to allow eligible*
22 *emerging technology manufacturers and suppliers to anticipate*
23 *and plan for increased sale and installation volumes over the life*
24 *of the program.*

25 (2) *The program shall provide monetary rebates, buydowns, or*
26 *equivalent incentives, subject to paragraph (3), to purchasers,*
27 *lessees, lessors, or sellers of eligible electricity generating systems.*
28 *Incentives shall benefit the end-use consumer of renewable*
29 *generation by directly and exclusively reducing the purchase or*
30 *lease cost of the eligible system, or the cost of electricity produced*
31 *by the eligible system. Incentives shall be issued on the basis of*
32 *the rated electrical generating capacity of the system measured*
33 *in watts, or the amount of electricity production of the system,*
34 *measured in kilowatthours. Incentives shall be limited to a*
35 *maximum percentage of the system price, as determined by the*
36 *commission. The commission may establish different incentive*
37 *levels for systems based on technology type and system size, and*
38 *may provide different incentive levels for systems used in*
39 *conjunction with energy efficiency measures.*

1 (3) Eligible distributed emerging technologies are fuel cell
2 technologies that utilize renewable fuels, including fuel cell
3 technologies with an emission profile equivalent or better than the
4 State Air Resources Board 2007 standard, and that serve as backup
5 generation for emergency, safety, or telecommunications systems.
6 Eligible renewable fuels may include wind turbines of not more
7 than 50 kilowatts rated electrical generating capacity per customer
8 site and other distributed renewable emerging technologies that
9 meet the emerging technology eligibility criteria established by
10 the commission and are not eligible for rebates, buydowns, or
11 similar incentives from any other commission or Public Utilities
12 Commission program. Eligible electricity generating systems are
13 intended primarily to offset part or all of the consumer's own
14 electricity demand, including systems that are used as backup
15 power for emergency, safety, or telecommunications, and shall
16 not be owned by local publicly owned electric utilities, nor be
17 located at a customer site that is not receiving distribution service
18 from an electrical corporation that is subject to the renewable
19 energy public goods charge and contributing funds to support
20 programs under this chapter. All eligible electricity generating
21 system components shall be new and unused, shall not have been
22 previously placed in service in any other location or for any other
23 application, and shall have a warranty of not less than five years
24 to protect against defects and undue degradation of electrical
25 generation output. Systems and their fuel resources shall be located
26 on the same premises of the end-use consumer where the
27 consumer's own electricity demand is located, and all eligible
28 electricity generating systems shall be connected to the utility grid,
29 unless the system purpose is for backup generation used in
30 emergency, safety, or telecommunications in California. The
31 commission may require eligible electricity generating systems to
32 have meters in place to monitor and measure a system's
33 performance and generation. Only systems that will be operated
34 in compliance with applicable law and the rules of the Public
35 Utilities Commission shall be eligible for funding.

36 (4) The commission shall limit the amount of funds available
37 for a system or project of multiple systems and reduce the level of
38 funding for a system or project of multiple systems that has
39 received, or may be eligible to receive, any government or utility
40 funds, incentives, or credit.

1 (5) *In awarding funding, the commission may provide preference*
2 *to systems that provide tangible demonstrable benefits to*
3 *communities with a plurality of minority or low-income*
4 *populations.*

5 (6) *In awarding funding, the commission shall develop and*
6 *implement eligibility criteria and a system that provides preference*
7 *to systems based upon system performance, taking into account*
8 *factors, including shading, insulation levels, and installation*
9 *orientation.*

10 (7) *At least once annually, the commission shall publish and*
11 *make available to the public the balance of funds available for*
12 *emerging renewable energy resources for rebates, buydowns, and*
13 *other incentives for the purchase of these resources.*

14 (c) *Notwithstanding Section 27540.5, the commission may*
15 *expend, until December 31, 2008, up to sixty million dollars*
16 *(\$60,000,000) of the funding allocated to the Renewable Resource*
17 *Trust Fund for the program established in this section, subject to*
18 *the repayment requirements of subdivision (f) of Section 25751.*

19 (d) *Any funds for photovoltaic or solar thermal electric*
20 *technologies shall be awarded in compliance with Chapter 8.8*
21 *(commencing with Section 25780), and not with this section.*

22 (e) *This section shall become operative on January 1, 2013.*